

From: Corey Ribotsky
Sent: Tuesday, October 21, 2008 9:50 AM
To: 'Russell L. Olson' <rolson@rochester.rr.com>
Subject: RE: Abu Dhabi Investment Council

See my answers below. I hope the Council understands that this was done to protect everyone. I would have assumed they would have applauded us for it.

-----Original Message-----

From: Russell L. Olson [mailto:rolson@rochester.rr.com]
Sent: Tuesday, October 21, 2008 9:36 AM
To: Corey Ribotsky
Subject: RE: Abu Dhabi Investment Council

Corey -- My friends in Abu Dhabi are much concerned about the liquidity mismatch of assets and liabilities in hedge funds generally, and also with respect to AJW. It is important that we help them understand the situation with respect to AJW in a realistic way. Therefore, I need responses to the following questions:

1. What is the total NAV today of the AJW Fund?

Total NAV of the strategy is approximately \$760 million

2. Of this amount, how much is owned by funds of funds?

Approximately 20-25% of the assets are Fund of Funds

3. Of total NAV, how much prior to this month was locked up beyond 2009?

Approximately 27% is in some form of lockup

4. Of total NAV, how much has agreed to your new terms? How much is now locked up beyond 2009?

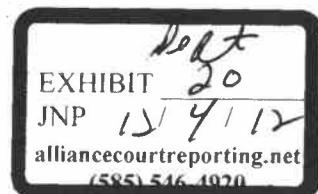
Thus far everyone has agreed to the new terms. No one has chosen to liquidate. They love the returns and agree that this liquidity restructure is the best for the strategy to prosper as you and I have discussed and you very well agreed with.

5. If someone chooses not to sign up for your new 3-year program, does he therefore have the option of giving you notice for redemption? If so, would that be redemption in March or before?

If an investor chooses to not sign up, they would go into the third choice and come out over time.

6. You say some investors have offered you more capital. How much in new contributions prior to this year end has been committed to?

Before this decision was made, we were waiting on \$50 to \$100 million in new capital which we believe to be delayed due to the market conditions (or so we are told). We had believed the council would have invested more than their \$25 million as well. Now we are told we should see an addition to that number of at least another \$50 million as what investors feared before is not possible under the new structure. As no one investor can hurt the fund.



7. What are the proceeds from converted stocks you have sold this month of October?

We typically sell \$5 million to \$15 million a month. This month has been a little slower while September was a little better.

8. How much in proceeds could you realistically have raised if you had converted as much as you could and tried to sell the converted shares?

Well, one does not want to depress the prices of stocks that have already had market pressure on them. But we could if needed sell the entire portfolio in 36 months getting the current NAV. If we were to want to fire sale it, the time would be less, but we may not get the exact discounted market value we carry the investments at.

9. What would you do if everyone chose to redeem now? How would you raise the cash for the redemptions?

If everyone chose to redeem now, we would have to liquidate the entire portfolio over the time it would take to get everyone their money. (As I stated before, no one has chosen that in our restructuring proposal) Same as any fund, any bank or any institution. We do not utilize leverage and have no deleveraging process to speak of that other funds or investment vehicles are going through. So we would sell the deals outright to other investors or funds, or convert them and sell them.

Thanks for your help, Corey.

Rusty

-----Original Message-----

From: Corey Ribotsky [mailto:CRibotsky@NIRGROUP.com]
Sent: Tuesday, October 21, 2008 9:14 AM
To: Russell L. Olson
Subject: RE: Abu Dhabi Investment Council

Russell-

As I am sure you agree most of our institutional investors have agreed with our decision. Some have now offered us more capital as everyone is on a level playing field.

Best Regards,

Corey

-----Original Message-----

From: Russell L. Olson [mailto:rloolson@rochester.rr.com]
Sent: Monday, October 20, 2008 3:13 PM
To: Corey Ribotsky
Subject: Abu Dhabi Investment Council

Corey -- As you send me a copy of your correspondence with the Abu Dhabi Investment Council relative to changes in liquidity and fees, would you please send me additionally:

1. The liquidity and fees of the Council's current holdings.
2. The month-by-month total of redemption requests you have received this year from investors in all of your share classes combined, and an indication of the actions you have been taking to meet their redemption requests.

Thanks, Corey.

Rusty

-----Original Message-----

From: Corey Ribotsky [mailto:CRibotsky@NIRGROUP.com]
Sent: Monday, October 20, 2008 12:35 PM
To: rlolson@rochester.rr.com
Cc: Brett Golden
Subject:

Russell-

We have embarked on a restructuring of the funds and would like to go over it with you. Let me know when we can speak.

Best Regards,

Corey

Corey S. Ribotsky
Managing Member
The NIR Group, LLC

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